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Engene J. Baldrate
Director Federal Regulatory

October 13, 1993

RECEIVED

OCT 1 3 1993:

William F. Caton, Acting Secretary Federal Communications Commission Room 222 1919 M Street, N.W. Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: The Southern New England Telephone's Response In Support of its 800 Data Base Direct Case

EX PARTE CC Docket No. 93-129

Dear Mr. Caton:

The Southern New England Telephone Company (SNET) is filing this response for additional information at the request of Tom Quaille of the Common Carrier Bureau's Tariff Division. This information supplements SNET's 800 Data Base direct case filed on September 20, 1993.

I am filing two copies of this response pursuant to the requirements of Section 1.1206(a)(1) of the Commission's Rules.

Respectfully,

Attachment

Copy: Tom Quaille

No. of Copies rec'd

OCT 1 3 1993

Attachment

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Supplemental Filing Supporting SNRT's 800 Data Base Direct Case.

## Ovestion 1:

Where in Appendix A is the \$3,758 of STP-related expense identified on page 19 of SNET's 800 Data Base Direct Case?

### Answer:

This \$3,758 expense is included in the "Total" column under the SCP category as "Administrative" Expense. SNET included this amount here because it is a small portion of the total administrative expenses and Appendix A did not include a separate category for STP expenses to be identified separately.

Note 1 on page A-3 of Appendix A provides a summary of the total amount included in that Column. The following provides more detail of the "Total" amount:

### Annual Expense

| SCP maintenance          | \$ 7,516 |
|--------------------------|----------|
| STP maintenance          | 3,758    |
| NASC expense             | 284,614  |
| Bellcore SMS expense     | 141,283  |
| INOC/DSAC start-up       | 3,185    |
| (amortized over 5 years) |          |

Total Administration Expenses \$440,356

## Ovestion 2:

SNET's Appendix A, page A-1, Column P identifies \$69,407 for the SCP/SMS Signaling Link unit cost. What is SNET's investment related to this link?

#### Answer:

SNET leases the facility from its SCP to the SMS in Kansas City from an interexchange carrier. The amount of \$69,407 is the annual expense incurred by SNET to lease this facility. Therefore, SNET has no investment associated with this signaling link.

#### Ouestion 3:

On page A-2 of Appendix A, SNET identified the total investment of \$500,000 in Column P as "interstate 800 Database." Why isn't the \$500,000 allocated only to interstate 800?

#### Answer:

The \$500,000 investment which was included as exogenous in SNET's filing is investment directly associated with the provision of interstate 800 Data Base service. These costs are not costs to support any of SNET's other interstate services (i.e. LIDB). As discussed in SNET's Direct Case, SNET included as exogenous, those new incremental costs specific to the implementation and operation of 800 Data Base service. SNET would not incur these exogenous costs if interstate 800 Data Base was not offered.

Certain expenses associated with the provision of 800 data base service are strictly interstate in nature (i.e. the SCP upgrade and the one-time CABs billing system modifications). SNET directly assigned these costs to the interstate jurisdiction and and includes expenses related to the \$500,000.

There are other costs which are incurred for both state and interstate services. SNET determined the interstate portion of these cost-related expenses by using the percent interstate demand. The interstate portion only of these joint costs is included in SNET's interstate 800 data base costs and exhibited in Appendix A.

# Ouestion 4:

Why does SNET only show "Base Period Demand" on page A-3 of Appendix A?

### Answer:

The base period demand shown on SNET's Direct Case, page A-3 of Appendix A only reflects the demand for interstate 800 data base service. This is the demand used to calculate rates in accordance with the price cap rules. SNET did not show demand for state 800 or other interstate services as the costs provided in SNET's Direct Case are specifically for interstate 800 service, not costs allocated to other services.